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Report of the Panel on the Strengthening of the International Civil Service**

Note by the Secretariat

Pursuant to section IV of General Assembly resolution 57/285 of 20 December 2002, the report of the Panel on the Strengthening of the International Civil Service is submitted herewith.

* A/59/50 and Corr.1.

** The Panel held its last session from 14 to 17 June in Geneva, and the report had to be prepared and cleared by the Panel members before submission.

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Report of the Panel on the Strengthening of the International Civil Service

I. Background

1. The Secretary-General, in his report entitled "Renewing the United Nations: a programme for reform" (A/51/950), stressed that urgent efforts were needed to enhance the effectiveness with which human resources are managed in the United Nations system and to strengthen the international civil service. In view of the key role that the International Civil Service Commission plays in the regulation and coordination of conditions of service of the organizations of the United Nations common system,[1] he recommended to the General Assembly that it initiate a review of the Commission in order to increase its effectiveness in meeting the challenges facing the organizations of the system.[2]

2. The Secretary-General reverted to the matter in a report submitted to the General Assembly at its fifty-seventh session.[3] At that session, the Assembly adopted resolution 57/285 of 20 December 2002, in section IV of which it

> "1. *Takes note* of the report of the Secretary-General concerning the strengthening of the international civil service;
>
> "2. *Endorses* the terms of reference of the panel on the strengthening of the international civil service, as contained in the report of the Secretary-General;
>
> "3. *Requests* the panel also to comment on the role and main characteristics of the international civil service;
>
> "4. *Invites* the Commission to comment on the findings and recommendations of the panel and to submit its comments to the General Assembly at its fifty-ninth session, to be considered by the Assembly together with the report of the Secretary-General."

3. The objectives proposed by the Secretary-General and endorsed by the General Assembly were as follows:

(a) The review should be a focused process firmly set in the context of the Commission's statute and clearly aimed at further strengthening the Commission and maximizing its ability to support the General Assembly in guiding the common system;

(b) The Panel should consider ways of better equipping the Commission, within its statute, with tools to implement its tasks, while further ensuring the Commission's independence, impartiality and effectiveness;

(c) The Panel should study and report on ways of enhancing the Commission's ability to reinforce, modernize and thereby strengthen the international civil service to meet new and complex challenges.

4. The Panel's composition, as established by the General Assembly, consists of the following members nominated by the Secretary-General in consultation with the Chairman of the Commission: Mary Chinery-Hesse (Ghana), Philippe Rochat (Switzerland), Ernst Sucharipa (Austria) and Anatoly V. Torkunov (Russian Federation). The Chairman of the Commission, Mohsen Bel Hadj Amor, participated in the Panel as an ex officio member.

II. Working procedures of the Panel

5. The Panel held three sessions, in Vienna (18-20 February 2004), New York (21-23 April 2004) and Geneva (14-17 June 2004). It examined written submissions from a number of organizations of the system, the Human Resources Network of the High Level Committee on Management of the United Nations System Chief Executives Board for Coordination (CEB), the Federation of International Civil Servants' Associations (FICSA) and the Coordinating Committee of Independent Staff Unions and Associations of the United Nations System (CCISUA), and interviewed several senior officials. As background to its work, the Panel considered the findings of previous reviews of the functioning of the International Civil Service Commission, the current work programme of the Commission, major initiatives related to human resources reform advanced by the Commission in recent years, human resources management reform initiatives introduced by the organizations of the system and the methodologies and processes for the determination of membership of

relevant bodies within the United Nations common system.

III. Context of the Panel's review

6. In considering how best to approach the aspects of its mandate relating to the International Civil Service Commission, the Panel was conscious of the fact that several reviews of the Commission have been undertaken in the past, through various modalities and addressing different aspects of its role and functioning. Against this background, the Panel sought to identify the main outstanding issues and recurrent concerns on which it could most profitably focus and what opportunities the current international context offers to maximize the added value of the present exercise.

7. Similarly, in relation to the second, broader element of its mandate — "to comment on the role and main characteristics of the international civil service" — the Panel was conscious that different aspects of the international civil service are examined on a continuing basis by the General Assembly, the International Civil Service Commission, the governing bodies of the United Nations system, the executive heads and inter-agency bodies. It considered that it could make a distinctive contribution to this ongoing examination by recalling some fundamental principles that are sometimes at risk of being lost in the midst of complex, technical debates, and by focusing on the changing demands that the present international juncture is posing on the functions and capacities of staff and the implications for the basic principles on which the international civil service is founded.

8. In relation to all aspects of the Panel's mandate, the current international context presents special challenges but also unique opportunities. The Panel was launched by the General Assembly at approximately the same time as the Secretary-General and agency heads took the initiative of convening a number of independent commissions and panels — on the themes "Threats, challenges and change", "United Nations relations with civil society" and the "Social dimension of globalization" — geared to, among other things, enhancing the system's capacity to respond to changing demands. Currently, the main organs of the United Nations, including the General Assembly, are giving renewed attention to reforms that can strengthen their relevance and impact in the new international environment. Preparations are also well under way within the system for the high-level meeting that will be convened in 2005 to undertake the first comprehensive review of the implementation of the Millennium Declaration and the integrated follow-up to United Nations conferences and summits, and chart the way ahead for the United Nations system and the international community as a whole.

9. What all these exercises have in common is a deep sense that the United Nations system is at a turning point, and also a strong wish to strive for greater relevance and concrete, tangible results to serve as renewed foundations for the future directions of the system's work.

10. Globalization is accelerating, but the benefits it promised for poor nations and poor people within nations are yet to be reaped. The contribution that the United Nations system can make to this end is crucial, but realizing this potential will require much greater policy coherence and operational effectiveness within that system than prevails at present. A "virtuous circle" needs to be created through a rededication by Member States to multilateralism, which should, in turn, be nurtured by a United Nations system that is perceived to, and actually does, work and deliver.

11. While the Panel did not analyse in depth the changes that are occurring in the international environment and in the United Nations system's responses, it was keenly aware that the ultimate objective of its mandate — the strengthening of the international civil service — constitutes one of the essential means to achieve the stronger, more effective and more responsive system that is being sought through the major initiatives and renewed reform efforts currently under way.

12. What the Panel concluded, within its terms of reference, may well coincide with the findings of other, broader review exercises under way: that the basic principles on which the Charter of the United Nations is based not only retain all their validity but acquire even greater relevance in the new international environment in which the United Nations system is presently operating. Indeed, in relation to the international civil service, the Charter principles of independence (Article 100) and of the "highest standards of efficiency, competence and integrity" (Article 101) should be the overriding values to which all efforts at advancing a modern international civil

service, responsive to the changing demands and requirements of the new century, should be geared.

13. If a rededication of member States to multilateralism is a condition for progress, rededication to those values by all concerned is also essential, and the two should go hand in hand.

14. While the role and functioning of the Commission were addressed by the Panel in a concrete, pragmatic way, the key contribution that an authoritative Commission — a Commission that commands universal confidence and is conscious of its leadership responsibilities in change management — can make to the strengthening of the international civil service was the key consideration underlying all of the specific recommendations elaborated by the Panel in this regard.

15. Similarly, the Panel's response to the Assembly's request to "comment on the role and main characteristics of the international civil service" focuses on concrete measures to strengthen the management of human resources and enhance competitivity, mobility and security within the common system, and on specific, related aspects of the present work programme of the Commission. The Panel was, at the same time, deeply conscious of the central contribution that these measures, taken together, can make to the achievement of the broad policy objectives that underlie current reform efforts.

16. This is, thus, the context within which the Panel addressed its mandate and formulated its recommendations, and the context in which it trusts that the results of its work will be considered and acted upon.

IV. Findings and recommendations

A. Role of the International Civil Service Commission and the international civil service in changing times

17. In line with the orientations provided in its terms of reference, the main focus of the Panel's work was on ways to further strengthen the Commission in the context of its statute, maximize its ability to support the General Assembly in guiding the common system and enhance the Commission's contribution to modernizing and reinforcing the international civil service. The latter objective equally guided the Panel in addressing the "role and main characteristics" of the international civil service, as required by its mandate.

18. The Panel noted that the executive heads of the organizations of the system have repeatedly stressed that human resources management reforms are key to strengthening the capacity of organizations to fulfil their diverse mandates effectively, and that such reforms should maintain the integrity of the common system while at the same time, being responsive to the requirements of organizations for operational flexibility.

19. The Panel, for its part, was keenly aware that the success of the reform efforts under way throughout the system to enhance the ability of organizations to deliver the programmes mandated by member States depends largely on the performance of the international civil service. In order to improve its effectiveness and achieve greater impact, the system must be able to attract, develop, motivate and retain staff of the highest calibre from all regions of the world. In a rapidly evolving international context — an international environment in which United Nations organizations are being entrusted with ever more complex mandates, frequently in dangerous environments — international civil servants must be versatile, mobile and multi-skilled.

20. Staff costs form the largest single component of the budgets of almost all of the system's organizations. The management of human resources is central to the effectiveness of ongoing reform processes and a key investment in the future of the United Nations system. These two factors alone make it imperative for member States, and in particular the General Assembly, to ensure that common system issues receive the highest possible attention.

21. Changes are being made throughout the common system to modernize human resources management and to create results-oriented organizational cultures that promote high performance, continuous learning, managerial excellence and accountability. In response to General Assembly resolutions 51/216 of 18 December 1996, 52/216 of 22 December 1997 and 53/209 of 18 December 1998, calling on the International Civil Service Commission to take the lead in analysing new approaches in the human resources management field, the Commission developed the framework for Human Resources Management in the

United Nations common system.[4] Many of the elements of this framework are within the purview of the executive heads of the system, with the important responsibility of regulating conditions of service of the common system being the prerogative of member States, assisted by the Commission.

22. The General Assembly, which has ultimate responsibility for the establishment of conditions of service for the common system, has repeatedly reaffirmed the central role of the Commission as the independent technical body in the regulation and coordination of those conditions of service. The Panel considers that the main challenges facing the Commission at this stage of the evolution of the international civil service are:

(a) To support the General Assembly in leading the change management processes under way in the system;

(b) To be a proactive partner with executive heads in the reform process.

23. To enable the Commission to perform its role in ways that are responsive to this twin challenge:

Recommendation 1

The Panel recommends that:

(a) **The Commission's capacity as a source of technical expertise and policy advice be further strengthened;**

(b) **Trust between the Commission and the administration and staff of each organization be enhanced;**

(c) **Collaboration between the Commission and its stakeholders — member States, common system organizations and the staff associations — be reinforced.**

24. In order to respond to these requirements, there is, in the Panel's view, a clear need to raise the profile of the Commission and to enhance its image. In this regard, it is important that the General Assembly and, indeed, all stakeholders be especially cognizant of:

(a) The unique characteristics of the work being carried out by the Commission in relation to the common system, and in particular those that distinguish the Commission from other bodies operating under the aegis of the General Assembly. This uniqueness is reflected in, inter alia, the method of selection of members of the Commission, enshrined in articles 3 and 4 of the statute of the Commission;

(b) The broad range of responsibilities devolving to the Commission, which include both the formulation of recommendations for action by the General Assembly (article 10 of the statute) and decisions that the Commission takes in its own right (article 11). This two-tiered responsibility has significant financial consequences and major implications for the common system and the operational capacity of its member organizations;

(c) The important contribution that the Commission can make to promoting innovation and providing added value in the management of the organizations' most important resource — the staff — not only in terms of their compensation and conditions of employment, but also in relation to the introduction of cutting-edge human resources policies and practices. These should not merely mimic what is going on in national settings, but should meet the unique needs of the international civil service in pursuing the diverse mandates of the organizations of the United Nations system, and should be geared to enhancing their capacity to meet both their individual and their collective operational challenges.

25. Deriving from these considerations:

Recommendation 2

The Panel recommends that the Commission's work be given the importance and attention it deserves, both within the United Nations General Assembly and by the governing bodies of the organizations of the system.

B. Functioning of the Commission

26. The Commission functions in accordance with its statute and rules of procedure. In conducting an article-by-article review of the statute, the Panel was mindful of the decision of the General Assembly that the review should be carried out within the context of the statute. Accordingly, the following recommendations to improve the functioning of the Commission do not require any change in the statute and can be implemented through modified working arrangements, although some require revisions to the Commission's

rules of procedure, as set out in annex I (see also para. 31 below).

C. Mission of the Commission

27. The main function of the International Civil Service Commission, as provided in article 1 of its statute, is the "regulation and coordination of the conditions of service of the United Nations common system."

28. The operational environment of the United Nations common system is now far more complex and diverse than it was 30 years ago when the Commission was established. The introduction of new technologies over the past two decades has transformed the workplace. Organizations are constantly being faced with new demands that require innovative, rapid responses. These new demands, in turn, have led to new requirements in terms of skills mix and competencies, and have reinforced the need for modern management methods that are results-oriented and rooted in accountability. These developments call not only for radical changes in human resources management, but also for the creation of a supportive environment to advance an organizational culture of merit, trust, accountability and integrity. They also imply, in the Panel's view, the need for the Commission to engage in even more extensive collaboration with organizations and staff in devising solutions and providing expert advice.

29. National civil services are also undergoing significant transformation: they are deregulating and introducing far more flexible approaches responsive to market forces. Emphasis on regulation and control is increasingly giving way to a focus on effectiveness and return on investment. There are, however, major differences between international and national civil services in terms of their roles and operational context. They should be borne in mind when assessing reform measures that may have worked well in national settings but may not be suitable to the environment of international organizations.

30. The recommendations in the following sections are intended to reinforce ongoing efforts to reorient the Commission's exercise of its mandate in the context of:

(a) The requirements of a modern international civil service;

(b) The current management structures and human resource profiles of the organizations of the system;

(c) Emerging expectations of the workforce in terms of work/life and social policy issues;

(d) The changing nature of United Nations system programmes and services.

D. Working methods of the Commission

31. The working methods of the Commission should be geared to nurturing the interest, confidence and trust of all parties in the Commission's work. The absence of one or the other of the staff bodies intermittently since 1988 has been a concern for all. The Panel noted that a number of reforms adopted by the Commission in 1998 have not yet been formally introduced into its rules of procedure, as the Commission decided that they would go into effect only when staff representatives of both federations resumed their active participation in the work of the Commission. At the same time, the Panel was informed that the Commission, in response to the request of the General Assembly that "the staff bodies, the organizations and the Commission ... review with all urgency how the consultative process of the Commission can be furthered",[5] had implemented all of the reforms in its working methods that it had agreed upon in 1998, as well as in prior reviews. In the light of the resumption of participation in the work of the Commission by CCISUA in 1999 and FICSA in 2001:

Recommendation 3

The Panel recommends that these revised practices now be fully reflected in the Commission's rules of procedure, as provided in Annex I. This should serve to formalize practices intended to broaden the consultative process among all parties, both in the establishment of the Commission's agenda, including the identification of priority issues to ensure greater efficiency in agenda management, and in the elaboration of documentation for the Commission, which should take into account the views of all parties concerned.

32. The Panel also noted the positive results that have been achieved in the recent past through the use of joint working groups, which have included representatives of the Commission, organizations and

staff associations, such as in the development of the standards of conduct for the International Civil Service, the Framework for Human Resources Management and the General Service salary survey methodologies.

Recommendation 4

The Panel recommends that greater use be made of working groups whenever appropriate. This would serve to strengthen the relationship between the consultative partners and lead to more constructive outcomes for all stakeholders, including member States.

E. Criteria and process for the selection of Commission members

33. The key role of the International Civil Service Commission in maintaining the cohesion and integrity of the international civil service is reflected in the unique procedures that its statute envisages for the appointment of Commission members, which differ from those of other bodies reporting to the General Assembly. Thus, article 3, paragraph 1, of the Commission's statute states that "The members of the Commission shall be appointed in their personal capacity as individuals of recognized competence who have had substantial experience of executive responsibility in public administration or related fields, particularly in personnel management". Article 4, paragraph 1, provides that "After appropriate consultations with member States, with the executive heads of the other organizations and with staff representatives, the Secretary-General, in his capacity as Chairman of the Administrative Committee on Coordination [now CEB], shall compile a list of candidates for appointment as Chairman, Vice-Chairman and members of the Commission and shall consult with the Advisory Committee on Administrative and Budgetary Questions before consideration and decision by the General Assembly".

34. The process of selecting and nominating candidates, as set out in articles 3 and 4 of the statute, calls for a delicate balance of consultative arrangements specifically designed to ensure that competence and confidence are maximized and that the General Assembly has the benefit of an extensive consultative process before taking its decisions on the membership of the Commission.

35. The drafters of the statute obviously attached considerable importance to the manner in which the members of the Commission would be selected, a main underlying concern being that the process leading to their selection would be such as to ensure general confidence in their competence and impartiality. The General Assembly has, on successive occasions, indicated its concern that the intent of these provisions should be adhered to, most recently in its resolution 53/209, in which it (a) reaffirmed the statute of the Commission, (b) emphasized the need to adhere to the provisions of articles 3 and 4 of the statute and (c) requested the Secretary-General to draw the attention of Member States to the provisions of article 3 of the statute when presenting candidates for appointment to the Commission.

36. While the intent of the procedures embodied in the provisions of the statute referred to above is clear, identifying the most appropriate modalities for their effective application is, as previous discussions in the General Assembly on the matter have shown, a complex issue. These modalities should preserve the prerogatives of member States and the ultimate responsibility and authority of the General Assembly, while ensuring that the various parties referred to in article 4 of the statute are provided an opportunity to make a genuine contribution to the selection process, with the safeguarding of the independence and impartiality of the Commission remaining a basic concern common to all parties.

37. The procedures currently being followed for the selection of Commission members need, in the Panel's view, to be adjusted in several respects, in order to adhere to the actual provisions of the statute and advance their spirit and intent.

38. Accordingly:

Recommendation 5

The Panel recommends that:

(a) The statute of the Commission be strictly applied in respect of both the qualifications and the process of consultations for membership in the Commission, as provided for in articles 3 and 4. In this connection, the Panel recommends the introduction of specific criteria, as set out in annex II below, to assist in focusing all phases of the selection process on the requirements of article 3;

(b) Member States take into full consideration these requirements and criteria when submitting and electing candidates for membership in the Commission. In the first instance, the presentation of candidatures by member States should specifically relate the background and experience of candidates to such requirements and criteria;

(c) The Secretary-General draw on the recommendations above to improve the consultative process he undertakes pursuant to article 4 of the statute, and in compiling the list of candidates for appointment provided for in that article, so as to facilitate the selection of individuals who are recognized nationally and internationally as high-level experts in different management areas and bring to the Commission an effective mix of expertise, practical knowledge and experience that will maximize its contribution as both a regulatory and an advisory body;

(d) The General Assembly seek to introduce greater gender balance in the Commission membership.

F. Length of term of office of Commission members

39. The Panel noted that under the terms of the International Civil Service Commission statute (article 5) the mandates of members of the Commission are not limited, while across the United Nations system the limitation of mandates is a growing practice, including with respect to the terms of office of executive heads. Term limitations are aimed at facilitating renewal and updating of expertise, experience and knowledge and at maximizing the independence of the individuals appointed. These concerns should, however, be balanced against the advantage of acquired experience and the need for a certain degree of continuity in institutional memory. In the light of the foregoing:

Recommendation 6

The Panel recommends that, within the terms of the International Civil Service Commission statute (article 5), the General Assembly introduce the understanding that future appointments to the Commission would normally be limited to two terms. Such an understanding should be put in practice in a gradual and deliberate manner that preserves continuity in the work of the Commission and allows for a smooth transition. As part of these transitional arrangements, the eligibility of current members for reappointment for another term should not be excluded.

G. Frequency and length of sessions of the Commission

40. At present the Commission holds two sessions a year, both of three weeks' duration in the General Assembly's budgetary years and of two weeks' duration in non-budgetary years. This length of sessions can militate against the election of Commission members who are professionally active in a relevant management discipline, and also makes it difficult for the representatives of the organizations and the staff to be present throughout the sessions. In order to facilitate the appointment and active participation of high-level experts in the Commission's work, and to allow for the effective involvement of organization and staff representatives:

Recommendation 7

The Panel recommends that the programme of work and the duration of the Commission's sessions be reviewed in order to limit the length of each session to a maximum of 10 working days, while making greater use of informal working groups, retreats and other means of interaction between sessions.

H. Implications for the work of the Commission secretariat

41. Effective secretariat support for the Commission, in the challenging new environment in which the system currently operates, calls for strong competencies in human resources management and other disciplines relevant to the Commission's mandate. In order to ensure the highest level of support for the organizations as well as for the Commission:

Recommendation 8

The Panel recommends that the ICSC secretariat be staffed by a core of experts in such areas, with the ability to draw on external expertise through consultancy services where necessary.

I. Enhancing the Commission's capacity to strengthen the international civil service

42. Managing change is a collective endeavour. The Panel notes the efforts of executive heads to strengthen and modernize the international civil service and to sustain and improve staff morale and performance. The Panel believes that the General Assembly and executive heads should be able to find in the Commission an authoritative source of advice on international best practices, capable of proposing innovative approaches to human resources management that are tailored to the needs of an independent international civil service.

Modern and responsive workforce

43. A key responsibility of the Commission is to contribute to ensuring that the organizations of the United Nations system recruit and retain highly competent staff members who are motivated by the system's values and ideals. Organizations require expertise that is driven by these values and ideals; their workforce also has to be linguistically flexible, willing to be mobile and, increasingly, able to work across disciplines and in difficult or dangerous settings. Globalization has resulted in growing direct competition for human resources in the world's labour market, including competition with other international institutions. The Commission must have the vision to promote forward-looking human resources management policies and strategies and to take decisions that are balanced and cost-effective, i.e., geared, beyond considerations of cost containment, to providing value for money.

Recommendation 9

The Panel recommends that the Commission be positioned to provide the General Assembly and the organizations with expert information and policy guidance that takes into account the human resources management strategies and best practices being adopted in the public and private sectors throughout the world.

Management policies

44. The Panel recognizes that, increasingly, United Nations organizations define themselves as knowledge organizations and that the capacity of each organization to remain relevant to the communities it serves is highly dependent on the effective management and continued development of its human capital. It therefore welcomes the work that the Commission has been undertaking in recent years to develop the integrated Framework for Human Resources Management, and to review the management component of that framework — the pay and benefits system. The Panel agrees that, as stated by executive heads, at the fifty-seventh session of the Commission, the challenge remains to develop a streamlined, competitive package of conditions of service that ensures competitive remuneration, addresses contractual arrangements and appropriate working conditions and security arrangements and includes new tools to facilitate staff recruitment, retention and mobility, build staff competencies, strengthen management and encourage and reward high performance.

45. The Panel notes that the Commission's Framework for Human Resources Management, endorsed by the General Assembly, identifies for the first time all the diverse yet interrelated elements that go towards building a holistic human resources management system. It now forms the guiding principle for human resources management in the United Nations common system.

46. Flowing from the Framework, the Commission has completed work on standards of ethical conduct that should promote common values and define the behaviour and performance expected of staff of the international civil service. The Framework has also paved the way for a comprehensive review of the conditions of service of staff, beginning with the pay and benefits system.

47. As part of this reform, the Commission promulgated a new job evaluation system[6] for the professional and higher categories, developed in consultation with the common system, that places special emphasis on the value of the contribution of the individual. This was conceived as the first step to other reform initiatives, namely, broad banding and pay for performance, which would allow for the recognition of performance and contribution in the context of pre-agreed competencies. To meet current challenges, organizations need to move from the current focus on entitlement to a new emphasis on performance. Instilling a culture of performance among the staff of the common system is of vital importance. Staff should

be rewarded for their performance as well as their experience. The Commission recognized that a modern compensation system should:

(a) Strengthen management capacity;

(b) Improve organizational performance by linking remuneration to performance;

(c) Increase flexibility;

(d) Allow greater competitivity;

(e) Improve work/life policies;

(f) Allow streamlining and simplification, as well as greater transparency and accountability.

48. In reviewing the way staff are paid, the Commission is considering approaches that, if implemented, would significantly depart from the current system of remuneration. The Panel recognized that these new approaches would require a significant paradigm change in the organizations, particularly in their management culture. The Commission is preparing to test these new approaches through pilot studies in volunteer organizations beginning in July 2004.

49. The Panel supports the steps being taken by the Commission and recognizes the challenge of introducing new approaches to the compensation system in a multicultural environment.

Recommendation 10

The Panel recommends that greater focus be placed on performance in the determination of pay as an important step towards building a stronger and more effective international civil service. It supports the piloting of performance-based pay, on the understanding that adequate financial controls are put in place so that such pay awards are applied selectively and based solely on merit, and are not used for across-the-board salary increases. At the same time, the Panel recommends that the organizations of the common system make a renewed effort to strengthen managerial capacities, which it views as an important condition for such endeavours to be successful. In this regard, it welcomes the developmental work being carried out on the implementation of a Senior Management Service.[7]

Competitivity

50. Member States have recognized that a competitive package of conditions of service is a prerequisite for the successful achievement of human resources management reform.[8] Executive heads of the United Nations organizations participating in the common system have repeatedly expressed concern over the lack of competitiveness of the United Nations common system's pay and benefits system and have called for its comprehensive review, including a thorough policy review of its fundamental principles, most critically the Noblemaire principle — the foundation of the current system — which states that the international civil service should be able to recruit from all its member States, including the highest paying. The Panel was informed that the Commission conducts quinquennially a review of the Noblemaire principle based on total compensation comparison and that the results are reported to the General Assembly for action.

51. To meet the requirement of Article 101 of the Charter that "the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity", the overall conditions of employment of the United Nations common system must be competitive. The Panel was concerned about recent trends of erosion of some of the elements of the conditions of employment, which could negatively affect staff morale and organizational performance.

52. The Panel agrees that the fundamental shifts under way in the political and economic environment and the changing relationship between organizations of the United Nations system and their workforce require a parallel move in the pay and benefits system.

Recommendation 11

The Panel therefore recommends a review of the application of the Noblemaire principle on a priority basis to determine the extent to which the common system is competitive with leading expatriate services of member States and other international and regional intergovernmental organizations.

Recommendation 12

The Panel further recommends that the General Assembly and the other governing bodies of the organizations of the common system take action to restore and preserve competitiveness in the overall conditions of employment.

Workplace practices

53. The organizations of the common system expect the Commission to assist them to constantly improve organizational performance not only by promoting competitive conditions of employment, but also by supporting modern human resources management policies and practices. The public sector increasingly recognizes that being a competitive employer is linked not only to pay issues but also to employment practices and working methods. Equally, within the system, in addition to a competitive pay and benefits system, there is a need to promote a supportive work environment and to recognize that productivity will be enhanced by practices responsive to the conflicting pressures of work and family.

Recommendation 13

The Panel recommends that the Commission, along with the General Assembly and the other legislative organs of the system, promote and monitor the implementation of best workplace practices that support work/life balance. In this regard, the Panel welcomes the 1995 policy statement of the Administrative Committee on Coordination on work/family issues[9] and recommends its full implementation.

Staff development and training

54. Increasingly, the provision of opportunities for training and development is a major factor in the recruitment and retention of staff. Supporting continuous learning and skills acquisition is not only crucially important in building a high-performing, motivated and flexible workforce; it is, more and more, a key condition for organizational effectiveness in preserving institutional knowledge and the core values of the international civil service, while responding to a rapidly changing and highly demanding international environment.

55. The Panel believes that greater support should be provided for staff development and training programmes throughout the common system. This requires deliberate and sustained action at the level of individual organizations, as well system-wide.

Recommendation 14

The Panel recommends that:

(a) Legislative bodies of the organizations recognize the importance and necessity of investing in the continuous learning of staff, as a crucial component of the effort to strengthen the international civil service;

(b) The organizations of the system make full and effective use of the facilities of the United Nations System Staff College, with a view to promoting a common managerial culture throughout the system.

Contractual arrangements

56. One of the most complex tasks for any institution is to create a flexible and responsive workforce. Among the most difficult aspects of this challenge, in current circumstances, is to arrive at a judicious balance between a career and a contingent workforce. These are even greater challenges for United Nations common system organizations, which are largely reliant on an expatriate workforce. At their inception, organizations of the United Nations system comprised largely career international civil servants. This is no longer the case. Appointments of limited duration are much more common, and the size of the contingent workforce (i.e., staff on contracts of less than 12 months) is ever-increasing.

57. Over time, organizations have developed an array of contractual arrangements to meet their diverse business needs and the particular needs of the work to be performed. While it is necessary to balance the diverse needs of the organizations, significant differences in contractual arrangements and the conditions attached thereto are an obvious impediment to inter-agency mobility and could threaten to erode the fabric of the international civil service and thus the common system.

58. The current shift from a mainly career service towards one based on a larger proportion of the workforce having shorter-term contracts makes continuous learning all the more important. The purpose should be to inculcate the values and ideals of

the international civil service, ensure that institutional memory is not lost and develop the new skills and competencies required. In addition to meeting the evolving challenges of the United Nations system workplace, a culture of continuous learning should serve to reassure staff that they could find jobs in the outside employment market.

Recommendation 15

The Panel recommends that:

(a) The Commission continue to work with its consultative partners to ensure greater cohesiveness in organizations' contractual arrangements and the conditions attached thereto. These arrangements should reflect best practices, provide the necessary degree of operational and administrative flexibility, and be tailored to the needs of a modern, global international civil service;

(b) The United Nations System Chief Executives Board for Coordination reinforce its coordination and cooperation efforts across the United Nations system, including at the field level;

(c) Organizations of the United Nations system be called upon to use their various contractual arrangements according to their intended purposes, so as to avoid, for instance, the continual extension of short-term contracts for long periods.

Mobility

59. Inter-agency mobility is a goal that has been sought since the creation of the United Nations family. From the outset, the desire to facilitate the interchange of staff in order to obtain the maximum benefit from their services has been expressed in the agreements by which the specialized agencies have entered into relationships with the United Nations in accordance with Article 63 of its Charter. At the time of the founding of the United Nations, it was foreseen that inter-agency mobility would be the cornerstone of the newly established international civil service — no doubt as part of career development within that civil service. Inter-agency transfers are, however, still the exception rather than the rule, not least because each organization tends to see itself as unique. Being part of "one United Nations" is a concept that is increasingly being reflected in policy and programme development and is beginning to be applied to training and learning initiatives (for example, the establishment of the United Nations System Staff College). However, it does not yet extend in any significant way to the recruitment and inter-agency exchange of staff.

60. Over the years, in order to meet the organizations' emerging business needs, the concept of mobility has expanded to include not only inter-agency mobility but also mobility across:

(a) Occupations;

(b) Organizational units;

(c) Duty stations;

(d) Other public or private organizations.

61. Mobility is an employment requirement in a growing number of organizations. Changing demographics and the deteriorating security and public health situation in many countries make it all the more difficult to maintain a competent and effective mobile workforce. Receptiveness to the requirements of dual-career families is also increasingly a major issue for all global employers: accepting an assignment in a second or third country is ever more frequently governed by the ability of the staff member's spouse to continue his or her own career. Work permit restrictions are, however, making it often difficult — if not impossible — for the spouses of staff members to find work outside their home country or organizational headquarters. Moreover, the reality of the current operational environment requires staff to serve in difficult, remote locations where access to good health care and education for children may be limited. The challenges for the common system are many and are rarely replicated in a national setting.

62. The Commission has continued to address a call made by the General Assembly, in its resolution 55/258 of 14 June 2001, to conduct a comprehensive review of the question of mobility and its implications for the career development of staff. It has recognized that mobility is a key element in the reform efforts of the organizations and a key means of developing a more versatile, multi-skilled and experienced international civil service. Organizations are also giving renewed attention to initiatives to enhance inter-agency mobility. In this regard:

Recommendation 16

The Panel welcomes the new policy statement governing inter-agency mobility adopted by the United Nations System Chief Executives Board for Coordination in 2003[10] and recommends its full implementation. Furthermore, the Panel calls on member States where United Nations system organizations operate to facilitate access to work permits for the spouses of United Nations system staff members.

Recommendation 17

The Panel recommends that the Commission's future work programme place special emphasis on inter-agency mobility, as a key means of strengthening the cohesiveness and effectiveness of the system's response to global challenges and of building unity of purpose and a common culture and shared values within the common system. The Panel further recommends that the Commission ensure that effective incentives are in place, combining the facilitation of mobility and the fostering of professional growth.

Security

63. The international civil service faces an increasing number of challenges as its staff are required to serve in duty stations where security and/or public health situations are in decline. The United Nations is increasingly a target for terrorist attack. Moreover, staff throughout the system are working and living in places of considerable hardship, often far removed from even their most immediate family. A competitive system of allowances and benefits would assist staff in making appropriate arrangements to make these conditions bearable for themselves and their families. This would ensure that the primary United Nations policy of staff mobility is met, and that organizations are able to fulfil their mandates through the appropriate allocation of human resources.

Recommendation 18

The Panel recommends that the Commission undertake a comprehensive reassessment of the compensation policy and incentives, both financial and non-financial, for service in difficult and hazardous conditions.

Recommendation 19

The Panel further recommends that the General Assembly and the other legislative organs earmark an adequate proportion of assessed contributions for safety and security purposes.

V. A concluding observation

64. Section III of the present report points out that the convening of the Panel by the General Assembly coincided with the launch of a number of major review initiatives and with renewed attention being given by the Assembly and the other principal United Nations organs to reform and the management of change.

65. While this coincidence may not be deliberate, the opportunity it offers should not be missed: although the remit of this Panel was well circumscribed, this coincidence provides an opportunity for the General Assembly to address the role and functioning of the Commission, and the further improvements it wishes to introduce in the Commission's make-up and modus operandi, from a broader vantage point than may have prevailed at the time of previous reviews. It also offers the Assembly a precious opportunity to discuss the role and characteristics of the international civil service — the fundamental principles on which it is based and ways, within these principles, to adapt its management to changing requirements — in the broader context of the overall effort to enhance the capacity and effectiveness of the system in responding to the new challenges confronting it.

66. The Panel trusts that the General Assembly will approach this process as a specific but, nevertheless, indispensable contribution to charting the way ahead for the system, recognizing the central place that the strengthening of the international civil service occupies in the international community's overall effort towards the achievement of the goals of the Millennium Declaration.

Notes

[1] The term "United Nations system" encompasses the United Nations, its programmes and funds and all the United Nations specialized agencies. The term "common system" refers to those organizations of the United Nations family that subscribe to the United Nations common system of pay and benefits. It therefore

excludes the World Bank, the International Monetary Fund and the World Trade Organization.

[2] The Secretary-General elaborated on his proposals in subsequent notes and reports: A/53/688, A/54/483, A/55/526 and A/57/612.

[3] A/57/612.

[4] See *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 30* (A/55/30).

[5] Resolution 49/223, sect. II, para. 5.

[6] The new job evaluation system facilitates an approach that integrates competency development and performance management in the job design process.

[7] See CEB/2004/1.

[8] See resolutions 51/216, 52/216, 53/209, 54/238 and 55/223.

[9] A/C.5/49/62, annex.

[10] See CEB/2003/2.

Annex I

Amendments to the International Civil Service Commission rules of procedure

The following changes to the International Civil Service Commission rules of procedure were agreed upon by the Commission on the basis of the report of the tripartite working group established in 1997 to review the functioning of the Commission.[a]

Recommendation

The Panel recommends that these now be fully reflected in the rules of procedures (see para. 31 above in the main part of the report).

Agenda management

Rule 6.1

Under the direction of the Chairman, the Executive Secretary shall, in accordance with the statute and in consultation with the members of the Commission, representatives of the executive heads and staff representatives, draw up an annual proposed programme of work and the provisional agenda for each session, identifying the key issues, in order of priority, in a manner that ensures the greatest efficiency in the management of the agenda.

Information-gathering

Rule 8.1

The secretariat shall consult with the members of the Commission and the representatives of the organizations and staff on all aspects of the information-gathering process, including the scope of the data and the methodologies to be used for their collection. On the basis of the available data, the secretariat, following full consultations with all parties mentioned above, shall prepare the documentation for the first session of each year. This is to be made available to the participants, in all languages, at least 10 working days before their consideration. Documents that have not met any of the above requirements will be examined only after taking into consideration any views of the Consultative Committee on Administrative Questions and the representatives of the staff.

Working methods

Rule 12.2

Unless otherwise decided, for all key issues, the Commission shall establish joint working groups, composed of members of the Commission and representatives of administrations and of staff bodies, at the first regular session each year. Documents prepared by the secretariat following the procedure outlined in rule 8 above shall form the background from which the Commission and the representatives of the organizations and staff, and/or the working groups established by the Commission, shall address the issues on the agenda. The report of the working group and the documents submitted to it shall form the basis of the deliberations of the Commission in the decision-making process.

Consideration by and decision-making of the Commission

Rule 21.1

The Executive Secretary shall prepare a draft report on the work of each session of the Commission, setting out, inter alia, any substantive determinations adopted by the Commission, as well as the principal reasons therefor, and the essence of the debates, which shall include the views of all parties.

Rule 22.2

The Commission shall submit to the General Assembly an annual report which shall include the background to the matter being recommended upon, a summary of the views expressed by all participants, the decisions and recommendations of the Commission and the reasons therefor, information as to whether or not the decisions and recommendations were reached by

[a] See *Official Records of the General Assembly, Fifty-third Session, Supplement No. 30* and corrigendum (A/53/30 and Corr.1).

consensus, and the positions adopted by the staff representatives and the Consultative Committee on Administrative Questions, where they differ from the conclusions of the Commission. The report shall also be transmitted to the other governing organs through the executive heads, as well as to the Administrative Committee on Coordination, the Federation of International Civil Servants' Associations, the Coordinating Committee of International Staff Unions and Associations of the United Nations System, the staff representatives and the United Nations Joint Staff Pension Board.

Annex II

Criteria for the selection of members of the International Civil Service Commission

Experience

Article 3 of the statute specifies that candidates should have substantial experience of executive responsibility in public administration or related fields, particularly in human resources management. In assessing a candidate's suitability the following parameters should be taken into account when reviewing the matter of "substantial experience":

(a) *Managerial and leadership functions with a national civil service*, with particular responsibilities for human resources and/or change management policy formulation and implementation in several diverse organizational entities;

(b) *Managerial and leadership functions with an international governmental or large non-governmental institution*, with particular responsibilities for human resources and/or change management policy formulation and implementation in several diverse organizational entities;

(c) *Executive function in a large private sector multinational enterprise*, with particular responsibilities for human resources and/or change management policy formulation and implementation in several diverse organizational entities;

(d) *Experience in international remuneration comparisons* would be an additional asset.

Knowledge

The above-mentioned managerial, leadership or executive experience should include current knowledge of:

(a) Human resources management principles and practices;

(b) Organizational design and change management concepts and practices;

(c) Leadership and strategic planning concepts and practices;

(d) International and global issues — political, social and economic.